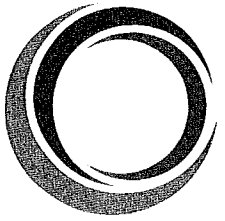


9-6-2019

Authorizes Bonds To Fund Projects For Wildfire Prevention, Safe Drinking Water, And Protecting Wildlife And Lands From Climate Risks. Initiative Statute.

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

AUTHORIZES BONDS TO FUND PROJECTS FOR WILDFIRE PREVENTION, SAFE DRINKING WATER, AND PROTECTING WILDLIFE AND LANDS FROM CLIMATE RISKS. INITIATIVE STATUTE. Authorizes \$7.883 billion in state general obligation bonds for various projects to mitigate climate risks and impacts in the following categories: \$3.508 billion for wildfire prevention and community resilience; \$2.2 billion for safe drinking water; \$975 million for fish and wildlife; \$770 million for coastal lands, bays, and oceans; \$200 million for agricultural lands; and \$230 million for workforce development and education regarding these issues. Appropriates money from General Fund to pay off bonds. Generally prioritizes projects benefitting disadvantaged communities. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **State costs of \$15.4 billion to pay off principal (\$7.9 billion) and interest (\$7.5 billion) on bonds over a 40-year period. Annual payments would average \$385 million. Some amount of state and local government savings possible based on to the degree to which bond-funded activities reduce future fire or flood damages (and associated state and local costs) that would otherwise have occurred. Potential savings to local governments, primarily for fire protection and water supply projects, averaging in the low tens of millions of dollars annually over the next few decades.** (19-0005.)



Conservation
Strategy
Group

Policy Solutions for a Greener California

19 - 0005

June 26, 2019

VIA PERSONAL DELIVERY

Anabel Renteria, Initiative Coordinator
Office of the Attorney General
1300 I Street, 17th Floor, P.O. Box 944255
Sacramento, CA 95 814

RECEIVED

JUL 03 2019

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

RE: Request for Title and Summary for Proposed Initiative

Dear Ms. Renteria:

Pursuant to Article II, Section 10(d) of the California Constitution, I submit the attached proposed Initiative, entitled the "Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020," to your office and request that your office prepare a title and summary. Included with this submission is the required proponent certification pursuant to sections 9001 and 9608 of the California Elections Code, along with a check for \$2,000.00.

All inquiries or correspondence relative to this initiative should be directed to Lance H. Olson at Olson, Hagel & Fishburn, LLP, 555 Capitol Mall, Suite 400, Sacramento, CA 95814, (916) 442-2952.

Thank you for your assistance.

Sincerely,

JOSEPH CAVES

Attachment: Proponent Certification

FINAL INITIATIVE DRAFT (07-03-19)

SECTION 1.

DIVISION 46 (commencing with Section 80200) is added to the Public Resources Code, to read:

CHAPTER 1. GENERAL PROVISIONS

80200. This division shall be known, and may be cited, as the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.

80201. The people of California find and declare all of the following:

(a) California's changing climate creates increased risks of catastrophic wildfire, drought, floods, severe heat events, intense rain events, and sea level rise, that will impact California's residents, agriculture, water supply and water quality, and the health of forests, watersheds, fish and wildlife, and our economy.

(b) Climate change threatens and undermines California's ability to provide access to clean, safe, and reliable drinking water.

(c) These risks and impacts vary by region and can overwhelm the resources of local governments and communities that must cope with changing conditions and severe climate change-related events.

(d) Reducing vulnerability to fire, flood, drought, and other climate-change related events requires a statewide investment to save lives and increase climate resilience of communities and natural systems.

(e) An integrated statewide investment that increases resilience to climate change and prevents wildfires and other natural disasters will save local and state agencies and California residents billions of dollars by preventing or reducing the amount of damage that would otherwise occur.

(f) The investment of public funds pursuant to this division will result in public benefits that will address the most critical statewide needs and priorities for public funding, while saving local and state agencies billions of dollars.

80201.5 (a) In the appropriation and expenditure of funding authorized by this division, priority will be given to projects that leverage private, federal, and local funding or produce the greatest public benefit. Administering agencies may pool funding for these projects.

(b) To the extent practicable, when disbursing funds available pursuant to this Division, administering agencies should prioritize projects that:

(1) Reduce near-term risks of climate impacts while promoting long-term resilience.

(2) Promote equity, foster community resilience, and protect the most vulnerable by prioritizing projects that meaningfully benefit disadvantaged communities and vulnerable populations.

(3) Incorporate natural and green infrastructure solutions that enhance and protect natural resources and urban environments, including those that preserve or restore ecological or engineered systems in ways that support natural system functions, services, and quality, and that reduce risk.

(4) Avoid maladaptive solutions that would likely worsen climate impacts or transfer risks unreasonably from one area, or social group, to another.

(5) Advance solutions to prevent displacement of low-income residents that could occur as an unintended consequence of a project that causes an increase in the cost of owning or renting property.

(c) A project that receives money pursuant to this division shall include signage informing the public that the project received funding from the Wildfire Prevention, Safe Drinking Water, Drought Protection, and Flood Protection Bond Act of 2020.

80202. For purposes of this division, the following definitions apply:

(a) “Committee” means the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Finance Committee created pursuant to Section 80402.

(b) “Community access” means engagement programs, technical assistance, or facilities that maximize safe and equitable physical admittance, especially for low-income communities, to natural or cultural resources, community education, or recreational amenities and includes transportation, physical activity programming, education, and communication related to water, parks, climate, coastal protection, and other outdoor pursuits.

(c) “Conservation actions on private lands” means projects with willing landowners that involve the adaptive flexible management or protection of natural resources in response to changing climate conditions and threats to habitat and wildlife. These projects result in habitat conditions on private lands that, when managed dynamically over time, contribute to the long-

term health and resilience of vital ecosystems, ecosystem services, and enhance fish and wildlife populations.

(d) “Disadvantaged community” means a community with a median household income less than 80 percent of the area average.

(e) “Economically distressed area” means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the Natural Resources Agency:

(1) Financial hardship.

(2) Unemployment rate at least 2 percent higher than the statewide average.

(3) Low population density.

(f) “Fund” means the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Fund created pursuant to Section 80210.

(g) “Natural infrastructure project” means a project for the preservation or restoration of ecological systems, or utilization of engineered systems that use ecological processes, to increase resiliency to climate change, contribute to the long-term health and resilience of ecosystems, and enhance fish and wildlife populations.

(h) “Nonprofit organization” means a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code.

(i) “Protection” means those actions necessary to prevent harm or damage to persons, property or natural resources or those actions necessary to allow the continued use and enjoyment of property or natural resources and includes acquisition, development, restoration, preservation, and interpretation as defined by Public Resources Code 75005.

(j) “Resilience” means the ability to cope with, adapt to, or recover from disturbances, including those caused as a result of increased climate-related risk.

(k) “Restoration” includes all of the following:

(1) The improvement of physical structures or facilities, and, in the case of natural systems and landscape features, includes, but is not limited to, any of the following:

(A) The control of erosion.

(B) Stormwater capture and storage, or to otherwise reduce stormwater pollution.

(C) The control and elimination of invasive species.

(D) The planting of native species.

(E) The removal of waste and debris.

(F) Prescribed burning.

(G) Fuel hazard reduction.

(H) Fencing out threats to existing or restored natural resources.

(I) Road elimination or road improvements to prevent sedimentation of streams.

(J) Improving instream, riparian, wetlands, or managed wetland habitat conditions.

(K) Other plant and wildlife habitat improvement to increase the natural system value of the property, or coastal or ocean resources.

(2) Activities described in subdivision (b) of Section 79737 of the Water Code.

(3) Activities, such as the planning, monitoring, and reporting that are necessary to ensure successful implementation of the restoration objectives.

(l) “Severely disadvantaged community” means a community with a median household income less than 60 percent of the statewide average.

(m) “Socially disadvantaged farmer or rancher” has the same meaning as set forth in Section 512 of the Food and Agricultural Code.

(n) “State air board” means the State Air Resources Board.

(o) “Tribe” means a federally recognized Native American tribe or a nonfederally recognized Native American tribe listed on the California Tribal Consultation List maintained by the Native American Heritage Commission.

(p) “Vulnerable population” means a subgroup of a population within a region or community that faces disproportionately heightened risk or increased sensitivity to impacts of climate change and that lacks adequate resources to cope with, adapt to, or recover from such impacts.

(q) “Water board” means the State Water Resources Control Board.

(r) “Fire hardening” means all costs, including costs of design, preparation, and inspection, incurred in the following:

(1) Replacing or installing the following:

(A) Ember-resistant vents.

- (B) Fire-resistant roofing.
- (C) Fire-resistant siding.
- (D) Fire-resistant eaves.
- (E) Fire-resistant soffits.
- (F) Fire-resistant windows.
- (2) Tree removal and trimming within 100 feet of an eligible building.

80203. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

80204. (a) Except as provided in subdivision (b), up to 10 percent of funds allocated for each program funded by this division may be expended for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This section shall not otherwise restrict funds ordinarily used by an agency for “preliminary plans,” “working drawings,” and “construction” as defined in the annual Budget Act for a capital outlay project or grant project.

(b) Funds used for planning, monitoring and implementation of programs that benefit disadvantaged communities, economically distressed areas, vulnerable populations, or socially disadvantaged farmers or ranchers may exceed 10 percent of the funds allocated if the state agency administering the moneys determines that there is a need for the additional funding.

(c) To the maximum extent feasible, funding allocated pursuant to this division shall be consistent with the regional strategies developed and implemented pursuant to Section 80230.

(d) Administering agencies may make grants to federal agencies if the agency determines such grants are the most efficient way to implement the intent of this division on federally managed lands.

80204.5. Administering agencies shall make one or more of the following findings prior to approving a grant or contract pursuant to Chapters 3 through 8, inclusive, of this division:

(a) The expenditure will reduce the risk of wildfire, flood, unhealthy exposure to heat or pollution, or other danger that is associated with or exacerbated by climate change, or combination thereof.

(b) The expenditure will increase the resilience of a community of residents, workers, visitors, or a natural system to the risks of wildfire, flood, unhealthy exposure to heat or

pollution, or other danger that is associated with or exacerbated by climate change, or combination thereof.

(c) The expenditure will help a community recover from the impacts of a wildfire, flood, drought, or other climate-related events, or help restore a natural system or a public recreational area from the impacts of wildfire, flooding, drought, or other climate-related events, or a combination thereof.

(d) The expenditure will help a community develop a plan for or analysis to support: increasing the community's resilience to the impacts of climate change; responding to wildfire, flood, drought, unhealthy exposure to heat or pollution, or other danger associated with or exacerbated by climate change; recovering from damage from wildfire, flood, drought, or other event associated with or exacerbated by climate change; or helping train a workforce to improve resilience, response, or recovery from events that are associated with or exacerbated by climate change, or a combination thereof.

(e) The expenditure will help improve the resilience of a community's water supplies or provide safe drinking water or clean water benefits in light of California's changing climate.

80205. (a) Moneys allocated pursuant to this division shall not be used to fulfill any environmental mitigation requirements imposed by law.

(b) Subdivision (a) does not preclude the use of moneys awarded pursuant to this division for purposes of providing safe drinking water or improving water quality.

80206. Funds provided pursuant to this division, and any appropriation or transfer of those funds, shall not be deemed to be a transfer of funds for the purposes of Chapter 9 (commencing with Section 2780) of Division 3 of the Fish and Game Code.

80207. For grants awarded for projects that serve a disadvantaged community, economically distressed areas, vulnerable populations, or socially disadvantaged farmers or ranchers, the administering agency may provide advanced payments in the amount of 50 percent of the grant award to the recipient, including state related entities, to initiate the project in a timely manner. The administering agency shall adopt additional requirements for the recipient of the grant regarding the use of the advanced payments to ensure that the moneys are used properly.

80207.5. (a) Up to 10 percent of the funds available pursuant to each chapter of this division may be allocated for technical assistance and capacity building for disadvantaged

communities and vulnerable populations. The agency administering the moneys shall operate a multidisciplinary technical assistance program for disadvantaged communities.

(b) Funds used for providing technical assistance and capacity building for disadvantaged and vulnerable communities may exceed 10 percent if the state agency administering the moneys determines that there is a need for the additional funding.

80208. Eligible applicants under this division are public agencies, nonprofit organizations, park and open-space districts and authorities, resource conservation districts, joint powers authorities, tribes, entities responsible for implementing natural community conservation plans or regional habitat conservation plans, and regional collaboratives for climate adaptation, for projects and programs that are consistent with this division.

80209. Up to 5 percent of funds available to each agency pursuant to this division may be used for community access projects.

80210. (a) The proceeds of bonds issued and sold pursuant to this division, exclusive of refunding bonds issued and sold pursuant to Section 80412, shall be deposited in the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Fund, which is hereby created in the State Treasury.

(b) Proceeds of bonds issued and sold pursuant to this division shall be allocated according to the following schedule:

(1) Three billion five hundred and eight million dollars (\$3,508,000,000) for wildfire prevention and community resilience from climate impacts, in accordance with the provisions in Chapter Three.

(2) Two billion two hundred million dollars (\$2,200,000,000) for safe drinking water, protecting water supply and water quality from climate risks, in accordance with the provisions in Chapter Four.

(3) Nine hundred and seventy five million dollars (\$975,000,000) for protecting fish and wildlife from climate risks, in accordance with the provisions in Chapter Five.

(4) Two hundred million dollars (\$200,000,000) for protecting agricultural land from climate risks, in accordance with the provisions in Chapter Six.

(5) Seven hundred and seventy million dollars (\$770,000,000) for protecting coastal lands, bays, and oceans from climate risks, in accordance with the provisions in Chapter Seven.

(6) Two hundred thirty million dollars (\$230,000,000) for climate resilience, workforce development and education, in accordance with the provisions in Chapter Eight.

80210.1 The Legislature may enact legislation necessary to implement programs funded by this division.

CHAPTER 2. AUDITS AND ACCOUNTABILITY

80210.2. (a) The Department of Finance shall provide for an independent audit of expenditures pursuant to this division. The Secretary of Natural Resources shall publish a list of all program and project expenditures pursuant to this division not less than annually, in written form, and shall post an electronic form of the list on the agency's Internet Web site in a downloadable spreadsheet format. The spreadsheet shall include information about the location and footprint of each funded project, the project's objectives, the status of the project, anticipated outcomes, any matching moneys provided for the project by the grant recipient, and the applicable chapter and section of this division pursuant to which the grant recipient received moneys.

(b) The state agency issuing any grant with funding authorized by this division shall require adequate reporting of the expenditures of the funding from the grant.

(c) The costs associated with the publications, audits, statewide bond tracking, cash management, and related oversight activities provided for in this section shall be funded from this division. These costs shall be shared proportionally by each program through this division. Actual costs incurred to administer nongrant programs authorized by this division shall be paid from the funds authorized in this division.

80210.3. A state agency that receives funding to administer a program under this division shall report to the Legislature by January 1, 2029, on its expenditures pursuant to this division and the public benefits received from those expenditures.

CHAPTER 3. WILDFIRE PREVENTION AND COMMUNITY RESILIENCE FROM CLIMATE IMPACTS

80220. The sum of three billion five hundred and eight million dollars (\$3,508,000,000) shall be available for community wildfire protection, the restoration of areas impacted by wildfire and other specified climate-related purposes.

80221. Of the funds made available by Section 80220, the sum of three hundred million dollars (\$300,000,000) shall be available for appropriation by the Legislature to the Office of Emergency Services. Eligible projects include, but are not limited to, grants to public agencies, joint powers authorities, nonprofit organizations, and tribes, for revegetation, invasive plant control, and other projects to reduce erosion, flood, debris flow, and mudslide risk, cleanup of damaged or hazardous sites, upgrades to damaged or destroyed infrastructure to enhance public safety and make the infrastructure more resilient to future fire, flood, and other natural disasters, and habitat restoration on both public and private lands. Funds authorized by this chapter may be used to meet matching grant requirements for the Federal Emergency Management Agency or other federal mitigation and resilience grant programs.

80222. Of the funds made available by Section 80220, the sum of five hundred million dollars (\$500,000,000) shall be available to the Office of Emergency Services for a prehazard mitigation grant program. The grant program shall be allocated to assist local and state agencies and tribes to leverage additional funds, including matching grants from federal agencies. Eligible projects include, but are not limited to, the following:

(a) Grants to local and state agencies, joint powers authorities, and tribes for projects that reduce wildfire risks to people and property consistent with approved local hazard mitigation plans.

(b) Grants to local and state agencies, joint powers authorities and tribes for improvements to detection, warning and evacuation systems, emergency notification systems, and improvements in fire and disaster response communication and infrastructure.

(c) Grants to local and state agencies, resource conservation districts, joint powers authorities, fire safe councils, tribes, and nonprofit organizations for development and implementation of community wildfire protection plans that promote and incentivize structural and community retrofit projects, defensible space, fuel breaks, and other projects to improve fire resilience.

(d) Grants to local and state agencies, tribes, joint powers authorities, resource conservation districts, fire safe councils, and nonprofit organizations for fire hardening projects, risk reduction buffers and incentives to remove vulnerable structures in hazard zones.

80223. Of the funds made available by Section 80220, the sum of four hundred million dollars (\$400,000,000) shall be available to the Natural Resources Agency and its departments,

boards, and conservancies to support community fire prevention and fire resilience programs. Eligible projects include, but are not limited to, the following:

(a) Restoration of natural ecosystem functions near communities in high fire hazard areas with preference given to those projects that provide multiple benefits, including, but not limited to, protection of agricultural and natural lands for fuel breaks, habitat protection and restoration, open-space access, watershed improvement, invasive species removal, and use prescribed fire and science-based vegetation treatment programs to reduce wildfire risk and protect lives and properties.

(b) Grants to local and state agencies, tribes, nonprofit organizations, joint powers authorities, fire safe councils and resource conservation districts for development and implementation of community wildfire protection plans, and projects that reduce the risk of wildfires to habitable structures and communities.

80223.5 Of the funds made available by Section 80220, the sum of three hundred million dollars (\$300,000,000) shall be available for appropriation by the Legislature to the Natural Resources Agency for the implementation of the Regional Fire and Forest Capacity Program to fund coordinated and integrated regional approaches to the restoration of watersheds, reduction in the conditions that lead to catastrophic wildfire, and the protection of natural resources throughout California.

80224. Of the funds made available by Section 80220, the sum of five hundred million dollars (\$500,000,000) shall be available for appropriation by the Legislature to the Natural Resources Agency and its departments, boards, and conservancies for the protection, restoration, and improvement of forests, including redwoods, conifers, oak woodlands, chaparral, riparian habitat, coastal forests, and other habitat types to ensure the long-term ecological health of these natural systems, to reduce the risk of extreme wildfires, floods, and other climate impacts, and to improve water supply and water quality, carbon sequestration, community access, and other public benefits. Projects shall be based on the best available science regarding forest and ecosystem protection and restoration and shall be undertaken to protect and restore ecological values, including multibenefit ecological services, and to promote conditions that are more resilient to wildfire, climate change, and other disturbances. Projects may, where appropriate, include activities on lands owned by the United States. Eligible projects include, but are not limited to, following:

(a) Protection and restoration of large, intact forests and other natural landscapes, prevention of forest fragmentation through subdivision, and restoration of natural fire regimes and climate resilient conditions.

(b) Restoration of the ecological health and resilience of forests through active forest management and prescribed fire. Priority shall be given to improvement of forest and ecosystem resilience that results in multiple watershed benefits, including through the Sierra Nevada Watershed Improvement Program created by Section 33345.1.

(c) Infrastructure and technology projects to increase forest health. Not less than one hundred million dollars (\$100,000,000) shall be available to the State Air Board for pilot projects and incentives for innovative forest products technology that reduce greenhouse gas emissions and contribute to meeting California's carbon neutrality goal. The State Air Board shall consult with the Natural Resources Agency and the Department of Forestry and Fire Protection in the implementation of this paragraph.

(1) Eligible projects under this paragraph include projects consistent with recommendations developed pursuant to Sections 717 and 4630.2.

(d) Establishment of regional forest and ecosystem restoration projects that include plant nurseries, reforestation, landscape-scale planning, and revegetation projects, to promote climate resilient ecosystems in climate stressed areas.

(e) The sum of fifty million dollars (\$50,000,000) for the establishment of a Forest Carbon Monitoring Program that includes the following projects:

(1) Mapping of current carbon storage and sequestration patterns by collecting field plots and high resolution airborne LiDAR.

(2) Developing a carbon monitoring system using satellite data to evaluate monthly and annual carbon fluxes.

(3) Independent validation of carbon storage and sequestration maps.

(4) Making all data publicly available to guide forest management and forest health decisions, wildfire evaluation, and emergency preparedness planning and operations.

80224.5 Of the funds made available by Section 80220, one hundred million dollars (\$100,000,000) shall be available for appropriation to the Department of Parks and Recreation to plan for and implement projects to reduce the risks of fire, flood, inundation, sea-level rise, and

other risks associated with climate change and for the protection and restoration of infrastructure and natural resources for units of the State Park System.

80225. Of the funds made available by Section 80220, the sum of two hundred and thirty three million dollars (\$233,000,000) shall be available for appropriation by the Legislature to the following conservancies according to their governing statutes for climate resilience, wildfire prevention and natural resource protection in accordance with the following schedule:

- (a) Baldwin Hills Conservancy, six million dollars (\$6,000,000)
- (b) California Tahoe Conservancy, twenty seven million dollars (\$27,000,000)
- (c) Coachella Valley Mountains Conservancy, seven million dollars (\$7,000,000)
- (d) Delta Conservancy, thirty million dollars, (\$30,000,000)
- (e) San Diego River Conservancy, twenty seven million dollars (\$27,000,000)
- (f) San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, fifty million dollars (\$50,000,000)
- (g) San Joaquin River Conservancy, six million dollars (\$6,000,000)
- (h) Santa Monica Mountains Conservancy, fifty million dollars (\$50,000,000)
- (i) Sierra Nevada Conservancy, thirty million dollars (\$30,000,000)

80226. Of the funds made available by Section 80220, the sum of nine hundred and seventy five million dollars (\$975,000,000) shall be available for appropriation by the Legislature to make communities in urban areas and vulnerable populations more resilient to the impacts of climate change, including:

(a) Multibenefit green infrastructure and urban greening projects that reduce the risks of and exposure to extreme heat and flooding or that promote long-term resilience and reduce heat island effect.

(b) Establishment of cooling centers, clean air centers, hydration stations, emergency shelters, and facilities to safeguard vulnerable populations from extreme heat events and air pollution caused by wildfires and from other public health threats exacerbated by climate change.

(c) Improvements to public infrastructure, including natural infrastructure, that provide climate resilience benefits, including, but not limited to, sustainable stormwater capture technologies, permeable pavement projects, rain gardens, cool roofs, and stormwater detention basins.

(d) Improvements to city park, county park, regional park, and open-space preserve infrastructure, including natural infrastructure, to promote resilience and adaptation or the promotion and enhancement of natural resources and water conservation and efficiencies on local and regional public park lands and open space lands.

(e) Multibenefit projects that reduce risks of exposure to toxic or hazardous materials that may increase as a result of wildfires, flooding, sea level rise, or reduced water flows to polluted bodies of water.

(f) Of the funds made available by Section 80226, the sum of fifty million dollars (\$50,000,000) shall be available pursuant to Division 22.8 for implementing projects consistent with the Lower Los Angeles River Revitalization Plan.

(g) Of the funds made available by Section 80226, the sum of fifty million dollars (\$50,000,000) shall be available pursuant to Division 23 for projects that are a part of the revitalization plan developed by the Upper Los Angeles River and Tributaries Working Group pursuant to Section 33220.

80227. Of the funds made available by Section 80226, one hundred fifty million dollars (\$150,000,000) of the funds pursuant to this chapter shall be allocated for urban greening projects pursuant to subdivision (a) of Section 75129, including at least fifty millions dollars (\$50,000,000) pursuant to Section 4799.12 to protect or augment California's urban forests.

80227.5 Of the funds made available by Section 80226, fifty million dollars (\$50,000,000) shall be available for projects including not limited to, expansion of access corridors to encourage fewer greenhouse gas emissions, expansion of green spaces to reduce urban heat island, and expansion of ecosystem based water management projects.

(1) The sum of twenty five million dollars (\$25,000,000) shall be allocated to Division 23.

(2) The sum of twenty five million dollars (\$25,000,000) shall be allocated to Division 22.8

80228. Of the funds made available by Section 80226 and 80227, at least sixty percent of the funds shall be allocated to projects that provide direct and meaningful benefits to disadvantaged communities. At least one-third of that amount shall be allocated to projects that benefit severely disadvantaged communities.

80229. Projects that are eligible to receive funding pursuant to Section 80226 and 80227 should include robust public engagement and outreach plans that prioritize engagement of disadvantaged communities and vulnerable communities, as applicable.

80230. Of the funds made available by Section 80220, the sum of two hundred million dollars (\$200,000,000) shall be available to the Strategic Growth Council to fund the development and implementation of regional and sub-regional climate strategies to improve the resilience of local communities and natural resources to the impacts of climate change and to help local communities and natural resources adapt to a changing climate. Strategies funded pursuant to this section may also include components to reduce greenhouse gas emissions.

(a) Of the funds made available pursuant to Section 80230, not less than one hundred million dollars (\$100,000,000) shall be available for the implementation of regional climate strategies. The Strategic Growth Council shall collaborate with the Natural Resources Agency, state conservancies, regional climate collaboratives, regional planning agencies, joint powers authorities, other public agencies, and tribes from each region of the state to determine appropriate geographic boundaries for regional and subregional climate strategies. The formation of the regions may be based on, or adapted from, the Regional Forest and Fire Capacity Program and shall cover the entire geographic area of California.

(1) The Strategic Growth Council shall award funding to state conservancies, regional climate collaboratives, joint powers authorities, and public agencies from each region to implement subdivision (a).

(2) Each regional strategy shall include an assessment of climate vulnerabilities and risks and identification of environmental, economic, public health, and social climate vulnerabilities, including impacts to vulnerable populations and identify complementary opportunities for greenhouse gas reductions. Relevant regional or local plans may be used to develop the assessment.

(b) Of the funds made available by Section 80230, the sum of fifty million dollars (\$50,000,000) shall be available to the Strategic Growth Council for grants to local governments and joint powers authorities to develop or update general plans and zoning ordinances to incorporate flood, fire, climate adaptation and resilience, and environmental justice measures pursuant to Section 65302 of the Government Code.

80231. In implementing Section 80230, the Strategic Growth Council shall collaborate with relevant agencies to develop grant guidelines that advance climate resilience while promoting integration of local planning requirements pursuant to Division 20, the Federal Disaster Mitigation Act of 2000 (Public Law 106-390), and other applicable laws or policies as determined by the Council. The Strategic Growth Council shall consult with relevant agencies in developing the grant guidelines.

CHAPTER 4. SAFE DRINKING WATER, PROTECTING WATER SUPPLY AND WATER QUALITY FROM CLIMATE RISKS

80240. The sum of two billion and two hundred million dollars (\$2,200,000,000) shall be available for appropriation by the Legislature for the protection of California's water resources.

80241. Of the funds made available by Section 80240, the sum of six hundred million dollars (\$600,000,000) shall be available for appropriation by the Legislature for the protection of California's water supply and water quality. Eligible projects include, but are not limited to, the following:

- (a) Safe drinking water projects that are consistent with Section 79724 of the Water Code.
- (b) Clean water projects that are consistent with Section 79723 of the Water Code.
- (c) Projects funded pursuant to subdivision (a) may include system improvements to help meet state, federal, and local regulations governing fire flow standards for public fire protection.
- (d) Grants and loans to assist with septic system upgrades or consolidation of septic systems in order to address water quality contamination in disadvantaged communities.
- (e) Projects that implement countywide drought and water shortage contingency plans adopted pursuant to Chapter 10, Part 2.55 of Division 6 of the Water Code (commencing with 10609.40).
- (f) Sustainable groundwater management projects that use captured stormwater and floodwaters for recharge purposes.
 - (1) Eligible projects shall include recharge projects that reduce contaminant loading to groundwater or dilute existing groundwater contamination.
 - (2) Projects shall not cause or contribute to increased contamination of groundwater supplies used by disadvantaged communities.

(3) Preference shall be given to projects that benefit disadvantaged communities.

(g) Projects that improve water data collection, monitoring and management through enhanced quality and availability of water data.

(h) Eligible applicants under this chapter are public agencies, joint powers authorities, nonprofit organizations, public utilities, tribes, and mutual water companies. To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors.

(i) Projects to reduce groundwater consumption and to restore habitat in groundwater basins subject to the Sustainable Groundwater Management Act pursuant to Part 2.74 of Division 6 of the Water Code (commencing with section 10720). Grants may be for protection and habitat restoration consistent with approved Groundwater Sustainability Plans.

80242. Of the funds made available by Section 80240, the sum of two hundred million dollars (\$200,000,000) shall be available for appropriation by the Legislature to the Wildlife Conservation Board for groundwater sustainability projects that provide wildlife habitat and support implementation of the Sustainable Groundwater Management Act pursuant to Part 2.74 of Division 6 of the Water Code (commencing with section 10720).

(a) Of the funds provided in this section, the sum of one hundred fifty million dollars (\$150,000,000) shall be available for the creation, protection, or restoration of permanent wildlife habitat.

(b) Of the funds provided in this section, the sum of twenty-five million dollars (\$25,000,000) shall be available for contracts for seasonal wetland habitat that provide aquifer replenishment. Any groundwater recharge achieved through this funding shall remain in the basin to improve groundwater conditions. Payments shall be linked to achievement and delivery of defined conservation outcomes, the duration of those outcomes, and the commitment of matching funds. At the end of each contract, the local Groundwater Sustainability Agency, as defined by paragraph (j) of section 10721 of the Water Code, shall determine the property's eligibility to begin pumping groundwater again.

(c) Of the funds provided in this section, the sum of twenty-five million dollars (\$25,000,000) shall be available for projects that improve groundwater supply. Projects may include groundwater recharge, improved baseflows in rivers and streams, and groundwater

supply improvement for fish and wildlife habitat. Any groundwater supply benefits shall remain in the basin to support sustainable groundwater conditions.

80243. Of the funds made available by Section 80240, the sum of five hundred million dollars (\$500,000,000) shall be available for appropriation by the Legislature for the protection and restoration of rivers, lakes, and streams to improve climate resilience, water supplies, water quality, and other benefits. To the extent feasible, preference shall be given to natural infrastructure projects. Eligible projects include, but are not limited to, the following:

(a) Multibenefit river and urban stream parkway projects that protect and restore riparian habitats, improve climate resilience, enhance natural drainages, protect and restore watersheds, and provide urban access.

(b) The sum of one hundred million dollars (\$100,000,000) from this section for multibenefit river and stream projects that restore instream, riparian, or managed wetland habitat conditions, that improve adaptive management of habitat and ecosystem health in the Delta and its tributaries.

(c) One hundred fifty million dollars (\$150,000,000) of the funds pursuant to Section 80243 shall be allocated consistent with the purposes of subdivision (a) of Section 80110 and Section 80116 to provide air quality and habitat benefits related to the Salton Sea and for restoration and water quality improvements on the New River.

(d) Multibenefit watershed protection or restoration projects that improve climate resilience within the Los Angeles River Watershed and the San Gabriel River Watershed and are implemented pursuant to Section 79508 of the Water Code.

(e) The sum of thirty million dollars (\$30,000,000) from this section shall be available for multibenefit watershed protection or restoration projects that improve climate resilience pursuant to the Lower American River Conservancy Program (Chapter 10.5 of Division 5 (commencing with Section 5845)).

(f) Watershed protection and restoration projects in the Russian River watershed identified in approved regional or local watershed management and disaster recovery plans.

(g) Watershed improvement projects on the lower Tijuana River watershed and on the Otay River watershed that improve water quality or provide ecosystem benefits.

(h) The sum of thirty five million dollars (\$35,000,000) from this section shall be available for multibenefit projects to expand and improve the Santa Ana River Parkway. Project

funding shall be appropriated to the State Coastal Conservancy for projects developed in consultation with local government agencies participating in the development of the Santa Ana River Conservancy Program established pursuant to section 31170.

(i) The sum of thirty-five million dollars (\$35,000,000) from this section shall be available for the protection and restoration of lands adjacent to the Eel National Wild and Scenic River pursuant to Division 21.

(j) The sum of thirty million dollars (\$30,000,000) from this section shall be available for the Coastal Salmonid Monitoring Program pursuant to Section 6217.3.

80244. Of the funds made available by Section 80240, the sum of five hundred million dollars (\$500,000,000) shall be available for appropriation by the Legislature for flood management projects that are components of multibenefit flood management system improvements that reduce risks to public safety and provide improvement to wildlife habitat. Eligible project types include, but are not limited to, levee setbacks, projects connecting rivers with flood plains, enhancement of flood plains and bypasses, offstream groundwater recharge, and land acquisitions and easements necessary for these project types. To the extent feasible, project selection shall be guided by approved local hazard mitigation plans and preference shall be given to natural infrastructure projects. Eligible projects include the following:

(a) Multibenefit flood management projects that reduce the impacts of climate change on inland or coastal infrastructure, communities, or ecosystems, and provide ecosystem, wildlife, or groundwater recharge benefits.

(b) Natural infrastructure projects to reduce flood intensity and slow watershed runoff.

(c) Projects that capture, clean, or otherwise productively use stormwater.

(d) Projects that provide matching grants for, or otherwise leverage funding from the Federal Emergency Management Agency, the Army Corps of Engineers, or other federal mitigation and resilience funding.

(e) Projects that provide benefits to fish, waterfowl, wildlife, and anadromous and other native fish species along migratory corridors.

(f) Projects that restore streams to a more natural state by removing drainage obstructions, culverts, and paved channels to enable more stormwater to be absorbed and gradually released by soil and plants.

(g) Of funds allocated pursuant to this section at least one hundred million dollars (\$100,000,000) from this section shall be allocated for multibenefit flood management projects in urban coastal watersheds.

80245. Of the funds made available by Section 80240, the sum of four hundred million (\$400,000,000) shall be available for recycled water projects pursuant to Section 79140 of the Water Code.

CHAPTER 5. PROTECTING FISH AND WILDLIFE FROM CLIMATE RISKS

80250. The sum of nine hundred seventy five million dollars (\$975,000,000) shall be available for appropriation by the Legislature to the Wildlife Conservation Board for the protection of California's fish and wildlife resources in response to changing climate conditions and the highly variable habitat needs of fish and wildlife, as well as restoration and stewardship projects that restore or manage the land to improve its resilience to climate impacts and natural disasters. Eligible projects include, but are not limited to, the following:

(a) Salmon and other native fisheries habitat restoration projects, including implementation of recovery actions identified by the Department of Fish and Wildlife or the National Marine Fisheries Service.

(b) Projects to restore wetlands and wildlife habitat, including refuges for migratory birds and waterfowl habitat. Not less than two hundred and fifty million dollars (\$250,000,000) shall be available for this subdivision.

(c) Projects for the protection and restoration of wildlife corridors and habitat linkages, the construction or repair of corridors, and the removal or modification of barriers. Projects may include planning, monitoring, and data collection necessary to track movement of wildlife around and across transportation facilities and establish the best locations to construct wildlife crossing features.

(d) Land acquisition projects that protect land from development.

(e) Projects for conservation actions on private lands, including, but not limited to, incentives and technical assistance for private landowners to implement conservation actions.

(f) Projects for the protection of threatened and endangered species, including projects within natural community conservation plans or habitat conservation plans. Projects may include land acquisition through either easement or fee title.

(g) Projects that include acquisition of water from willing sellers, acquisition of land that includes water rights or right to water, and other projects that provide water for fish and wildlife or improve aquatic or riparian habitat conditions. Not less than one hundred million (\$100,000,000) shall be available for this subdivision.

(h) Project for the development and implementation of regional conservation investment strategies that include climate resilience elements.

(i) Restoration activities to control or eradicate invasive plants and species.

(j) Protection and restoration of redwood forests.

(k) Protection and restoration of oak woodlands pursuant to Section 1363 of the Fish and Game Code and grasslands pursuant to Section 10330 of Division 10.4 of Public Resources Code.

CHAPTER 6. PROTECTING AGRICULTURAL LANDS FROM CLIMATE RISKS

80260. The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature to the Department of Food and Agriculture for the improvement in climate resilience of agricultural lands and ecosystem health. Eligible projects include, but are not limited to, the following:

(a) Of the funds provided in this section, the sum of forty five million dollars (\$45,000,000) shall be available for grants to promote practices on farms and ranches that improve soil health, water quality, enhanced groundwater recharge and surface water supplies, and fish and wildlife habitat. At least thirty-five percent of the funds allocated pursuant to this subdivision shall be allocated to projects that provide direct and meaningful benefits to socially disadvantaged farmers and ranchers. Priority shall be given to small and medium sized farms.

(b) Of the funds provided in this section, the sum of forty five million dollars (\$45,000,000) shall be available for grants to promote on-farm water use efficiency with a focus on multibenefit projects that improve groundwater management, water quality, surface water use efficiency, improve drought and flood tolerance, or water supply and water quality conditions for fish and wildlife. At least thirty-five percent of the funds allocated pursuant to this subdivision shall be allocated to projects that provide direct and meaningful benefits to socially disadvantaged farmers and ranchers. Priority shall be given to small and medium sized farms.

(c) Of the funds provided in this section, the sum of ten million dollars (\$10,000,000) shall be available to the Invasive Species Account upon appropriation by the Legislature, to the secretary for the purposes of funding invasive species projects and activities recommended by the Invasive Species Council of California. Priority shall be given to projects that restore and protect ecosystem health.

80261. The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature to the Department of Conservation for the protection and restoration of farmland and rangelands, including the acquisition of fee title or easements, that improve climate resilience and provide multiple benefits. Eligible projects include, but are not limited to, grants for the protection and restoration of agricultural lands. Allowable uses include, but are not limited to, down payment assistance, interest rate assistance, and infrastructure for land improvement. In awarding funds for farmland and rangeland projects pursuant to this section, the Department of Conservation shall give preference to projects for small- and medium-sized farms. At least thirty-five percent of the funds allocated pursuant to this section shall be allocated to projects that provide direct and meaningful benefits to socially disadvantaged farmers and ranchers.

CHAPTER 7. PROTECTING COASTAL LANDS, BAYS AND OCEANS FROM CLIMATE RISKS

80270. The sum of seven hundred and seventy million dollars (\$770,000,000) shall be available for appropriation by the Legislature for the protection and restoration of coastal and ocean resources from the impacts of climate change and ocean acidification. Eligible projects include but are not limited to: projects to restore coastal and ocean ecosystems, beaches, bluffs, grassland, chaparral, shrubland, forests, wetlands, coastal marshes, estuaries, marine habitat, and wildlife in coastal areas from climate impacts.

80271. (a) Of the funds provided in Section 80270, the sum of two hundred million dollars (\$200,000,000) shall be available to the State Coastal Conservancy for projects that are consistent with the San Francisco Bay Restoration Authority Act (Title 7.25 (commencing with Section 66700) of the Government Code) including, but not limited to, projects that address sea level rise, flood management, and wetland restoration.

(b) Of the funds provided in Section 80270, the sum of two hundred million dollars (\$200,000,000) shall be available to the California Coastal Conservancy for projects to protect, restore, and increase the resilience of beaches, bays, wetlands, coastal forests and coastal watershed resources pursuant to Division 21 (commencing with Section 31000), including acquisition. Twenty-five percent of this amount shall be available for the San Francisco Bay Area Conservancy Program pursuant to Chapter 4.5 of Division 21 (commencing with Section 31160).

(c) Of the funds provided in section 80270, the sum of fifty million dollars (\$50,000,000) shall be available to the State Coastal Conservancy for multibenefit protection and restoration projects that restore habitats and improve climate resilience within San Diego Bay and Mission Bay and their associated tributaries and watersheds.

(d) Of the funds provided in Section 80270, the sum of one hundred million dollars (\$100,000,000) shall be available for deposit into the California Ocean Protection Trust Fund for grants consistent with Section 35650 to increase resilience from the impacts of climate change. Priority shall be given to projects that conserve, protect, and restore: marine wildlife; healthy ocean and coastal ecosystems including, but not limited to, estuarine and kelp forest habitat; the state's system of marine protected areas; and sustainable fisheries. Priority shall also be given to projects that support climate-related fisheries management data systems. At least thirty percent of these funds shall be allocated to projects that protect and restore marine habitats including, but not limited to, kelp forests, estuarine habitat, and marine protected areas.

(e) Of the funds provided in Section 80270, the sum of ten million dollars (\$10,000,000) shall be available for projects identified by the Department of Fish and Wildlife to implement climate-ready fisheries management approaches that expand opportunities for experimentation and adaptive cooperative management, and to implement modernized electronic fisheries data management systems and increase use of electronic technologies to improve fisheries management responses and resiliency under changing ocean conditions.

(f) Of the funds provided in Section 80270, the sum of ten million dollars (\$10,000,000) shall be available for projects identified by the Department of Fish and Wildlife to support the management of kelp ecosystems. Funds shall be used for the ongoing monitoring of kelp ecosystems and for the implementation of an adaptive kelp management plan.

(g) Of the funds provided in Section 80270, at least two hundred million dollars (\$200,000,000) shall be allocated to the State Coastal Conservancy for grants to remove or upgrade outdated or obsolete dams and water infrastructure to increase climate resilience, improve wildlife and fish passage, and modernize water infrastructure, including related planning, permitting, habitat restoration, and recreational improvements. At least one hundred million dollars (\$100,000,000) of these funds shall be allocated for the removal of Matilija Dam in Ventura County and related infrastructure improvements. Funds for planning, monitoring, and implementation of projects pursuant to this section may exceed 10 percent of the funds allocated if the State Coastal Conservancy determines there is a need for the additional funding.

(h) Projects funded pursuant to this chapter shall be consistent with the sea level rise policies and guidelines established by the California Coastal Commission, Ocean Protection Council, San Francisco Bay Conservation and Development Commission and the State Coastal Conservancy, if applicable.

CHAPTER 8. CLIMATE RESILIENCE, WORKFORCE DEVELOPMENT AND EDUCATION

80280. (a) The sum of two hundred thirty million dollars (\$230,000,000) shall be available for appropriation by the Legislature for climate resilience and natural disaster prevention and restoration projects and programs that promote workforce development, education, and career pathway opportunities for careers in fire prevention and management, watershed and forest restoration, forestry, prescribed fire, forest and vegetation management, invasive plant management, park and open-space operations and management, fisheries management, nature-based recreation and tourism, sustainable forest products industries and sustainable agriculture. In allocating the funds, agencies shall give priority to programs and projects that prioritize workforce development opportunities for low income residents.

(b)(1) Of the moneys made available pursuant to this chapter, up to thirty million dollars (\$30,000,000) shall be available for appropriation by the Legislature to the California Conservation Corps for purposes specified in subdivision (a).

(2) The California Conservation Corps shall expend at least fifty percent of the funds made available pursuant to paragraph (1) as grants to certified local conservation corps for purposes specified in subdivision (a).

(c) Of the moneys made available pursuant to this chapter, ten million dollars (\$10,000,000) shall be available for appropriation by the Legislature to the California Community Colleges for workforce development programs for prescribed fire treatments, fire hardening, defensible space management, and approved community defense techniques.

(d) Of the moneys made available pursuant to this chapter, ten million dollars (\$10,000,000) shall be made available for appropriation by the Legislature to the University of California for a Fire Outreach and Extension Program that shall include fire extension advisors located in selected counties.

(e) Of the moneys made available pursuant to this chapter, five million dollars (\$5,000,000) shall be made available for appropriation by the Legislature to local governments to fund a local planning certification program for fire hazard planning in high fire hazard severity zones.

(f) Of the moneys made available pursuant to this chapter, twenty million dollars (\$20,000,000) shall be made available for appropriation by the Legislature to local agencies and joint powers authorities for implementing fire prevention and preparedness community action in collaboration with the University of California Fire Outreach and Extension Program, resource conservation districts, and fire safe councils.

(g) Of the moneys made available pursuant to this chapter, five million dollars (\$5,000,000) shall be available for appropriation by the Legislature to the University of California Division of Agriculture and Natural Resources for the support of Small Farm Advisors.

(h) Of the moneys made available pursuant to this chapter, (\$100,000,000) shall be available to the Department of Parks and Recreation for grants to education and research facilities, nonprofit organizations and public institutions, including natural history museums, aquariums, and research facilities for climate risk and resilience education programs and facilities. Eligible institutions include those that combine the study of natural science with preservation, demonstration and education programs that serve diverse populations. Grants may be used for buildings, structures and exhibit galleries that present the collections to inspire and educate the public about climate change and natural resources and to increase public safety and resilience to the impacts of storms and other climate-related risks.

(i) Of the moneys made available pursuant to this chapter fifty million dollars

(\$50,000,000) shall be available to Wildlife Conservation Board for outdoor environmental education programs focused on climate change resilience for low-income urban residents.

CHAPTER 9. FISCAL PROVISIONS

80400. (a) Bonds in the total amount of seven billion eight hundred eighty three million dollars (\$7,883,000,000) and any additional bonds authorized, issued, and appropriated in accordance with this division pursuant to other provisions of law, not including the amount of any refunding bonds issued in accordance with Section 80412, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

80401. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as amended from time to time, and all of the provisions of that law, except subdivisions (a) and (b) of Section 16727 of the Government Code, apply to the bonds and to this division.

80402. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), of the bonds authorized by this division, the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Finance Committee is hereby created. For purposes of this division, the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Finance Committee is the “committee” as that term is used in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, the Controller, the Secretary of the Natural Resource Agency, and the executive director of the Strategic Growth

Council. Notwithstanding any other law, any member may designate a representative to act as that member in that member's place for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as the chairperson of the committee.

(d) A majority of the committee may act for the committee.

80403. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized by this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

80404. For purposes of the State General Obligation Bond Law, "board," as defined in Section 16722 of the Government Code, means the Secretary of the Natural Resources Agency.

80405. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

80406. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out the provisions of Section 80409, appropriated without regard to fiscal years.

80407. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, including other authorized forms of interim financing that include, but are not limited to, commercial paper, in accordance with Section 16312 of the Government Code for the purpose of carrying out this division. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division, excluding refunding bonds authorized pursuant to Section 80412, less any amount loaned and not yet repaid pursuant to this section and

withdrawn from the General Fund pursuant to Section 80409 and not yet returned to the General Fund. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

80408. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

80409. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this division, excluding refunding bonds authorized pursuant to Section 80412, less any amount loaned pursuant to Section 80407 and not yet repaid and any amount withdrawn from the General Fund pursuant to this section and not yet returned to the General Fund. Any amounts withdrawn shall be deposited in the fund to be allocated in accordance with this division. Any moneys made available under this section shall be returned to the General Fund, with interest at the rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

80410. All moneys deposited in the fund that are derived from premium and accrued interest on bonds sold pursuant to this division shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premiums may be reserved and used to pay the cost of bond issuance before any transfer to the General Fund.

80411. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid or reimbursed out of

the bond proceeds, including premiums, if any. To the extent the cost of bond issuance is not paid from premiums received from the sale of bonds, these costs shall be allocated proportionally to each program funded through this division by the applicable bond sale.

80412. The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 of Chapter 4 of Part 3 of Division 4 of Title 2 (commencing with Section 16780) of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds under this division shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds. Any bond refunded with the proceeds of a refunding bond as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

80413. Notwithstanding Section 16727 of the Government Code, funds provided pursuant to this division may be used for grants and loans to nonprofit organizations to repay financing described in Section 22064 of the Financial Code related to projects that are consistent with the purpose of the respective provision of this division.

80414. The proceeds from the sale of bonds authorized by this division are not “proceeds of taxes” as that term is used in Article XIIB of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. Section 1 of this act shall take effect upon the approval by the voters of the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020 as provided in Art. II, Sec. 10 of the California Constitution.

SEC 3. If any provision of this Act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provisions or applications, and to this end the provisions of this Act are severable.



August 22, 2019

Hon. Xavier Becerra
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Anabel Renteria
Initiative Coordinator

RECEIVED

AUG 22 2019

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Dear Attorney General Becerra:

Pursuant to Elections Code Section 9005, we have reviewed the proposed statutory initiative (A.G. File No. 19-0005) that would authorize \$7.9 billion in general obligation bonds for various natural resources-related programs and projects intended to respond to the potential effects of climate change.

BACKGROUND

Climate Change Projected to Have Significant Effects in California. Scientific research predicts that climate change could have several consequential effects in California, including:

- **Sea-Level Rise.** Recent estimates project that compared to 2000, sea levels along the California coast south of Mendocino will rise between 1.5 inches and 1 foot by 2030 and between 5 inches and 2 feet by 2050. These changes would impact both human and natural resources along the coast, increasing the risk of flooding of buildings and infrastructure, salt water contaminating groundwater basins, and beaches eroding.
- **Flooding.** Climate models predict more intense storm patterns, which would increase the risk of inland flooding. Floods cause significant risk to human life, as well as damage to roads, buildings, and other infrastructure.
- **Temperature Increases.** Extreme heat events are projected to worsen throughout the state. By midcentury, for example, the Central Valley is projected to experience high heat events that are two weeks longer than current patterns. Changing temperatures could affect human health, agricultural production, and natural habitats.
- **Drought.** Warmer temperatures would contribute to more frequent and intense droughts by leading to more precipitation falling as rain rather than snow, faster melting of winter snowpack, greater rates of evaporation, and drier soils. These conditions would decrease the amount of spring snowmelt runoff upon which the state historically has depended for its annual water supply, as well as increase the demand for irrigation water in both agricultural and urban settings.

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- **Wildfires.** Climate change is expected to make forests more susceptible to extreme wildfires. One study, for example, predicts that by 2100 the frequency of extreme wildfires burning over approximately 25,000 acres will increase by nearly 50 percent, and that the average area burned statewide will increase by 77 percent.
- **Warming Oceans.** Evidence indicates that climate change is degrading the state's marine environment. In recent years, California's coastal environment has experienced a historic marine heat wave, record harmful algal bloom, fishery closures, and a significant loss of northern kelp forests.

Climate Effects Would Impact Communities Throughout the State. The anticipated effects of climate change would vary by region and could affect communities and sectors differently. Some potential impacts include: (1) reduced public health from high heat events; (2) reduced water supply, water quality, and agricultural production from droughts; (3) increased energy costs from increased average temperatures; (4) increased risks to public safety and infrastructure from flooding and wildfires; and (5) degraded fish and wildlife habitats from higher temperatures, droughts, and changed ocean conditions.

Climate Change Likely to Increase Disaster-Related Costs for State and Local Governments. State and local governments incur costs to respond to and recover from major disasters such as wildfires and floods. To the extent that climate change increases the risk of such events, large one-time costs could result. For example, current estimates suggest the state will pay more than \$2.5 billion to respond to and recover from the Camp Fire that occurred in Paradise in November 2018 (although the federal government is expected to reimburse the state for a large share of these costs).

Disaster-Related Costs Could Be Minimized Through Mitigation Activities. Recent research from the National Institute of Building Sciences found that undertaking certain prevention activities ahead of time can reduce the impacts from and costs associated with natural disasters. Such activities—commonly known as mitigation—can result in significant public and private savings by protecting health and safety, preventing damage to or loss of property and infrastructure, and reducing business disruptions. For example, the study found that within the “wildland-urban interface” where wildfires have more potential to cause costly property damage, federal grants for fire mitigation provide \$3 of benefit for every \$1 invested.

PROPOSAL

This measure provides \$7.9 billion in general obligation bonds for various natural resources-related programs and projects intended to respond to the potential effects of climate change.

Uses of Funds

As shown in Figure 1 (next page), the measure provides bond funding for various uses that fall into seven broad categories, which are described in more detail on the next page.

Figure 1

Uses of Proposed Bond Funds
(In Millions)

Categories of Activities	Amount
Protect and enhance water supply and quality	\$2,200
Prevent and protect from wildfires	2,000
Protect parks, urban communities, and natural resources	1,508
Protect and enhance fish and wildlife habitats	975
Protect and restore coastal and ocean resources	770
Workforce development and education	230
Protect and enhance agricultural lands	200
Total	\$7,883

Funds Must Be Spent on Specific Purposes. Within the broad categories shown in Figure 1, the measure includes around 60 subcategories for how the bond funds must be spent. In some cases, the initiative requires that certain subcategories be spent in particular regions of the state or on specific types of projects. The measure's broad spending categories include:

- **Water Supply and Quality (\$2.2 Billion).** The measure provides funding for activities to protect California's water supply and water quality. These include projects that improve supplies of safe drinking water; improve groundwater supply; protect and restore rivers, lakes, and streams; and manage rivers in ways that reduce flood damage while also reducing risks to public safety and improving wildlife habitats.
- **Wildfires (\$2 Billion).** The measure provides funding for a variety of activities to protect communities from wildfires, reduce the risk of severe fires occurring, and recover from the impacts of fires. These include funding grants for local agencies to undertake projects such as improving emergency notification systems, hardening structures, thinning trees in strategic locations, and cleaning up sites damaged by fires.
- **Parks, Urban Communities, and Natural Resources (\$1.5 Billion).** The measure provides funding for activities that increase resilience to the effects of climate change in urban areas, such as developing green infrastructure, capturing stormwater to increase water supplies, and establishing shelters for use during extreme heat events. Additionally, the measure provides funding for state conservancies to implement projects that protect and conserve natural resources within their specific jurisdictions, for the state Department of Parks and Recreation to undertake activities that increase resilience to climate change across state parks, and for collaborative groups to develop and implement climate adaptation strategies on a regional scale.
- **Fish and Wildlife Habitats (\$975 Million).** The measure provides funding for projects to protect the state's fish and wildlife habitats in response to changing climate conditions and natural disasters. These include restoring wetlands and acquiring water to benefit fish. Other activities might include acquiring land or conservation easements to protect land from development.

- ***Coastal and Ocean Resources (\$770 Million).*** The measure provides funding for various activities to protect coastal and ocean resources from the impacts of climate change. This includes specific funding allocations for certain areas of the state—the San Francisco Bay and San Diego region—as well as funding that would be available for coastal and ocean restoration projects around the state.
- ***Workforce Development and Education (\$230 Million).*** The measure provides funding for projects and programs that promote workforce development and career pathways in natural resources-related fields, including fire prevention and management, watershed and forestry restoration, parks or fisheries management, and sustainable agriculture. The measure also provides funding for various education and outreach efforts, including climate risk and resilience and outdoor environmental education programs.
- ***Agricultural Lands (\$200 Million).*** The measure provides funding for protecting farmland and rangelands from the effects of climate change and for improving agricultural practices that also benefit the environment. Examples of such practices include improving on-farm water use efficiency, soil health, and replenishment of groundwater.

Funding Allocations and Administrative Costs

The bond would be administered by more than a dozen different state departments, agencies, boards, and conservancies. These administering entities, in turn, would pass through much of the funds to local government agencies, Indian tribes, and non-profit agencies in the form of grants. In addition to making grants, the measure would allow state government entities to spend some of the funds on projects and programs implemented at the state level. Administering entities could use up to 5 percent of the bond funds to pay for administrative costs, along with an additional 10 percent for planning and monitoring activities. The measure requires that funding for certain activities—such as for safe drinking water projects—be prioritized for economically disadvantaged communities. Moreover, the measure allows for up to 10 percent of funding for each of the categories displayed in Figure 1 to be used for technical assistance and capacity building for disadvantaged communities and vulnerable populations.

FISCAL EFFECTS

Fiscal Effects on State Government. This measure would allow the state to borrow up to \$7.9 billion by selling general obligation bonds to investors, who would be repaid with interest using the state's general tax revenues. The cost to the state of repaying these bonds would depend on various factors such as the interest rates in effect at the time they are sold, the timing of bond sales, and the time period over which they are repaid. We assume that (1) the interest rate for bonds would average 5 percent, (2) they would be sold over the next 10 years, and (3) all bonds would be issued for a 30-year term. Based on these assumptions, the cost to taxpayers to repay the bonds would average about \$385 million annually over the next 40 years—totaling \$15.4 billion to pay off both principal (\$7.9 billion) and interest (\$7.5 billion).

Additionally, some of the funding provided by this initiative could help reduce future state costs to respond to climate-related disasters. As noted earlier, studies have found that certain pre-disaster mitigation activities can ultimately result in post-disaster savings through lessening the severity and/or impact of the event. Of the total amount provided by this measure, roughly one-

quarter would be dedicated for activities that could help mitigate the severity of future fires and floods that can result in state costs for disaster response and recovery. To the degree that undertaking such activities ends up reducing future fire or flood damages (and associated state costs) that would otherwise have occurred, this would result in savings for the state. The magnitude of these savings would depend upon the specific activities undertaken with the funding, the degree to which potential disaster recovery costs would have been covered by the state—rather than the federal—government, as well as the fire and flood events that ultimately occur.

Fiscal Effects on Local Governments. A portion of the bond funding would be used for local government projects, in particular for fire protection and drinking water supply. Providing state funds for local projects would affect how much of their own funds these local governments spend on these projects. In cases where the state bond funds replace monies that local governments would have spent on projects anyway, this could reduce local spending and result in savings. The exact amount would depend on which specific projects local governments choose and their share of the total project costs. These savings could average in the low tens of millions of dollars annually over the next few decades.

Similar to the state, local governments could also experience some savings from avoided disaster-related costs to the degree that undertaking certain bond-funded activities reduce damages from future fires or floods.

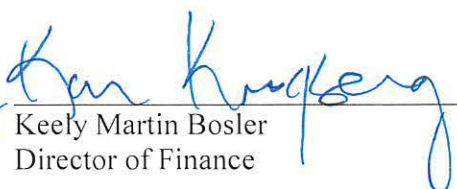
Summary of Fiscal Effects. This measure would have the following major fiscal effects:

- State costs of \$15.4 billion to pay off principal (\$7.9 billion) and interest (\$7.5 billion) on bonds over a 40-year period. Annual payments would average \$385 million.
- Some amount of state and local government savings possible based on to the degree to which bond-funded activities reduce future fire or flood damages (and associated state and local costs) that would otherwise have occurred.
- Potential savings to local governments, primarily for fire protection and water supply projects, averaging in the low tens of millions of dollars annually over the next few decades.

Sincerely,


for Gabriel Petek

Legislative Analyst


for Keely Martin Bosler
Director of Finance